

HOUSE BILL REPORT

SB 6519

As Reported by House Committee On: Appropriations

Title: An act relating to the reporting of public school employees' insurance benefits.

Brief Description: Concerning public school employees' insurance benefits reporting.

Sponsors: Senators Litzow, Hobbs, Keiser and McAuliffe.

Brief History:

Committee Activity:

Appropriations: 3/1/14 [DPA].

Brief Summary of Bill (As Amended by Committee)

- Requires the Office of the Insurance Commissioner (OIC) to share all data, information, and documents collected for the K-12 Health Benefits Study with the Health Care Authority (HCA).
- Provides that the data, information, and documents provided to the HCA or the Joint Legislative Audit and Review Committee (JLARC) are exempt from public disclosure and shall be used solely for the HCA reports to the Legislature and the JLARC on school district health benefits.
- Requires reports by the HCA on school district health benefits to aggregate data from districts with fewer than 50 employees in a manner to prevent the disclosure of individual data.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 28 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Ross, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Carlyle, Christian, Cody, Dahlquist, Dunshee, Fagan, Green, Haigh, Haler, Harris, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, Morrell, Parker, Pettigrew, Schmick, Seaquist, Springer, Sullivan and Tharinger.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 3 members: Representatives Buys, G. Hunt and Taylor.

Staff: David Pringle (786-7310).

Background:

The 2012 Legislature passed Engrossed Substitute Senate Bill 5940 which was in regard to health benefits provided to school district employees. The Office of Insurance Commissioner (OIC) must collect detailed enrollment and financial information from school districts and health insurance carriers on the health benefit plans purchased by 295 school districts.

The OIC must report to the Legislature annually, beginning December 1, 2013, with summary level information. The first report submitted in December includes a summary indicating there were 408 health plans purchased for 104,431 employees, or 211,053 total members including dependents, with combined premiums totaling \$1.04 billion for 2012.

Additional reports are required from the Health Care Authority (HCA) by June 1, 2015, and from the Joint Legislative Audit and Review Committee (JLARC) by December 31, 2015. The agencies must complete detailed analyses of the school district purchasing and the claims data that are not available from the summary report. The data, information, and documents submitted to the OIC are protected from public disclosure, and additional federal data protections have been applied. There have been concerns about sharing the data with the HCA since the bill did not provide specific protections for the data in the HCA.

Summary of Amended Bill:

The OIC must share all data, information, and documents collected for the health benefit study with the HCA. The data, information, and documents provided to the HCA by the OIC, a school district, a health plan providing school district benefits, or the JLARC are exempt from public disclosure, and shall be used solely for HCA reports to the Legislature and the JLARC on school district health benefits. Reports by the HCA on school district health benefits shall aggregate data from districts with fewer than 50 employees in a manner to prevent the disclosure of individual data.

Amended Bill Compared to Original Bill:

The data provided by the OIC to the HCA is limited in the amended bill to be solely for HCA reports to the Legislature and the JLARC on school district health benefits. The amendment added the requirement that reports by the HCA on school district health benefits shall aggregate data from districts with fewer than 50 employees in a manner to prevent the disclosure of individual data.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill protects the confidentiality of data. There are 100,000 K-12 employees that are currently facing a 17 percent increase in health benefit premiums, while state employee costs are flat or even declining. This bill will provide more value from the money that is being invested in the collection and reporting of school district health benefit data that began in 2012.

(With concerns) While this bill is a good step, it doesn't solve some of the problems in school districts. The law on school district health benefits is confusing and vague. The privacy protections that are in this bill are appreciated. We hope that the Legislature either clarifies or repeals the K-12 health benefits law enacted in 2012.

(Opposed) The Washington Education Association is concerned about the confidentiality of our members. If a similar report was done on legislators, there would be concerns as well. Some of our school districts have very small numbers of employees, raising privacy concerns. This data should only be used for the intended purpose, and aggregated to protect privacy.

Persons Testifying: (In support) Doug Nelson, Public School Employees of Washington.

(With concerns) Lani Todd, Service Employees International Union Local 925.

(Opposed) Shawn Lewis, Washington Education Association.

Persons Signed In To Testify But Not Testifying: None.